



**Virginia  
Regulatory  
Town Hall**

**Notice of Intended Regulatory Action  
Agency Background Document**

<b>Agency Name:</b>	Department of Professional and Occupational Regulation
<b>VAC Chapter Number:</b>	18 VAC 135-40-10 et seq.
<b>Regulation Title:</b>	Virginia Real Estate Time-Share Regulations
<b>Action Title:</b>	Notice of Intended Regulatory Action
<b>Date:</b>	December 8, 2000

This information is required prior to the submission to the Registrar of Regulations of a Notice of Intended Regulatory Action (NOIRA) pursuant to the Administrative Process Act § 9-6.14:7.1 (B). Please refer to Executive Order Twenty-Five (98) and Executive Order Fifty-Eight (99) for more information.

**Purpose**

*Please describe the subject matter and intent of the planned regulation. This description should include a brief explanation of the need for and the goals of the new or amended regulation.*

The Time-Share Act (§ 55-360 et seq. of the Code of Virginia) was established by Acts of the 1981 General Assembly (chapter 462) and assigned to the Real Estate Board for administration and support. The purpose of the Act is to provide protection to those consumers within the Commonwealth who wish to purchase or utilize a Time-Share project. The Act has undergone eleven amendments since its inception, including seven since the current regulations were promulgated. Various sections of the regulations are not in compliance with current statutes and a review of these sections is necessary in order to ensure the regulations are not only supported by the current statutes, but also provide adequate protection to the consumers, while, at the same time, not imposing unnecessary burdens on the regulants.

The NOIRA will solicit public comment in all areas of possible regulation with emphasis on the following areas: 1) Review of the definitions used in the regulations; 2) Adequacy of disclosure requirements; 3) Identification of sections not in compliance with current Code requirements; 4) Annual reporting requirements; and, 5) Consumer protection issues.

## Basis

*Please identify the state and/or federal source of legal authority to promulgate the contemplated regulation. The discussion of this authority should include a description of its scope and the extent to which the authority is mandatory or discretionary. The correlation between the proposed regulatory action and the legal authority identified above should be explained. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided.*

The Board's authority to promulgate regulations for the administration and support of the Time-Share Act may be found in § 55-396(A) of the Code of Virginia and was effective July 1, 1981. This section of the Code indicates that the Real Estate Board may "adopt, amend, and repeal rules and regulations and issue orders consistent with and in furtherance of the objectives" set forth in the Act.

Executive Order 25 (1998) requires a periodic review of existing regulations in order to ensure that the regulations provide protection of the health, safety, and welfare to the public, while being the least burdensome to both the citizens and businesses of the Commonwealth.

## Substance

*Please detail any changes that would be implemented: this discussion should include a summary of the proposed regulatory action where a new regulation is being promulgated; where existing provisions of a regulation are being amended, the statement should explain how the existing regulation will be changed. The statement should set forth the specific reasons the agency has determined that the proposed regulatory action would be essential to protect the health, safety or welfare of citizens. In addition, a statement delineating any potential issues that may need to be addressed as the regulation is developed shall be supplied.*

The key provisions of the changes which would be implemented are identified and explained as follows:

**Definitions:** This section of the regulations would replace the general section and serves to define and explain terminology that may be used in this chapter that is not defined in the statutes no currently defined in the regulations.

**Registration:** Modification to this section of the regulation would establish and clarify the procedure for filing a registration application and sets the filing fees.

**Marketing:** No substantive changes are anticipated to be made to existing sections, editorial changes may be made to clarify existing regulations.

**Public Offering Statement:** Substantive modifications to this section would include the deletion of those sections which are duplicated or are in conflict with the Public Offering Statement provision of the Time-Share Act.

**Post Registration Provisions:** Sections of this portion of the regulations would be deleted to avoid duplication with the statutes. A 20 day reporting period would be added to the requirement to report material changes, previously no grace period was allowed. Other changes would be made to clarify and simplify existing regulations.

## Alternatives

*Please describe, to the extent known, the specific alternatives to the proposal that have been considered or will be considered to meet the essential purpose of the action.*

The registration of time-share projects and the limited enforcement powers given to the Real Estate Board are the least burdensome types of regulation available to the Real Estate Board and no alternatives have been identified. The Department of Professional and Occupational Regulation and the Real Estate Board will carefully weigh all information coming into its possession with the objective of developing regulations which intrude as little as possible into the conduct of commerce by the regulated community and have the smallest possible adverse impact on the public.

## Family Impact Statement

*Please provide a preliminary analysis of the potential impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

This proposed regulatory action will have no impact on the institution of the family and family stability. This proposed regulatory action will not strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; encourage or discourage economic self-sufficiency or self-pride; strengthen or erode the marital commitment; nor increase or decrease disposable family income.